



August 14, 2013

Item No. 11

AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR MONTCLARE SENIOR RESIDENCES PHASE 2

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners ("Board") approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract ("AHAP") for Montclare Senior Residences Phase 2; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The purpose of this contract is to subsequently enter into a Housing Assistance Payment Contract ("HAP") which will create more affordable housing opportunities for families in healthy and revitalizing neighborhoods by providing Property Rental Assistance (PRA) for 38 apartments detailed below.

FUNDING: Housing Choice Voucher ("HCV") Program

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Montclare Senior Residences Phase 2	Avalon Park/8 th Ward/ Michelle Harris	MR Properties	Seniors 62 +	38	122

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Max Contract	Total Max Contract	Application Received
Montclare Senior Residences Phase 2	HCV Program	30 Years	AHAP/ HAP Contract	\$364,800/year	\$10,944,000 (30 years)	April, 2013

BACKGROUND

Waiting List / Occupancy Process

It is the intent of the owner/manager of this property to lease all of the units to eligible Seniors age 62 and older from Chicago Housing Authority's ("CHA") waiting lists. CHA will make referrals from its Public Housing and Project Based Voucher waiting lists, and CHA will refer eligible Seniors whose right of return under the Relocation Rights Contract has not been satisfied. The CHA list of applicants will be exhausted prior to utilization of a site based waiting list.

Montclare Senior Residences Phase 2

Proposed Development

- The new construction of a 7-story building containing 122 units for seniors 62 and older, consisting of 94 one-bedroom and 28 two-bedroom units located at 1200 E. 78th Street in the Avalon Park community area. It is adjacent to Phase 1, also a senior development, which was newly constructed in 2009 and consists of 42 studios and 60 one-bedrooms totaling 102 units. There are no PRA units in Phase 1.
- Building amenities include a community room with a fully equipped kitchen, a library and lounge, a TV/game room, wellness center with an exam room, computer and arts & crafts rooms, beauty salon, laundry facilities and an outdoor courtyard with BBQ, and on-site management. There is also a staffed van for shopping and recreational trips and planned activities.

Developer Background

- MR Properties, a joint venture established by Philip Mappa and Colin Regan 13 years ago, is a full service real estate company focusing on development management and the leasing and sales of residential and commercial property. Prior to forming MR Properties, both men were the founders and presidents of their own real estate firms, which they formed in 1985 and continue to operate today. They currently own and operate 3 senior housing developments totaling 437 units.

Financing

- Low Income Housing Tax Credit Equity: \$15 Million
- City of Chicago HOME Investment Partnership Program Loan: \$7.1 Million
- Federal Housing Administration Loan: \$2.7 Million
- Illinois Housing Development Authority Trust Fund: \$750,000
- City Trust Fund: \$650,000
- State Donation Tax Credit Equity: \$562,716
- Land Contribution: \$1.1 Million
- Illinois Department of Commerce and Economic Opportunity Grant: \$200,000
- Deferred Developer Fee: \$260,000

Conclusion

The Board action recommended in this item complies in all material respects with all applicable CHA board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an Agreement to enter into a Housing Assistance Payments contract for Montclare Senior Residences Phase 2.

The CEO/President recommends the approval to execute an Agreement to enter into a Housing Assistance Payments contract for Montclare Senior Residences Phase 2.

RESOLUTION NO. 2013-CHA-69

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 14, 2013 requesting authorization to execute an Agreement to Enter into a Housing Assistance Payments Contract for Montclare Senior Residences Phase 2;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract for Montclare Senior Residences Phase 2; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.



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